

**B.Sc. FASHION MERCHANDIZING AND
RETAIL MANAGEMENT (BSCFMRM)**

Term-End Examination

June, 2013

BFW-003 : MANAGERIAL ECONOMICS

Time : 3 hours

Maximum Marks : 70

Note : Attempt any seven questions. All questions carry equal marks.

1. Explain the scope of Managerial Economics as tool of managerial decision making. **10**
2. Discuss the law of demand. What causes the market demand curve for a commodity to shift upwards and to shift downwards ? Give suitable examples. **10**
3. Distinguish between the following with the help of examples (*any two*) : **10**
 - (a) Fixed costs and variable costs
 - (b) Short run costs and long run costs
 - (c) Direct costs and Indirect costs
4. Differentiate between Monopoly and Monopolistic competition. Illustrate with suitable examples. **10**

5. Which of the following product has most inelastic demand ? 10
(a) Soap (b) Salt
(c) Refrigerator (d) Ice-Cream and
(e) Cigarettes
Give reasons for your answer.
6. Explain the concept of law of diminishing marginal utility with suitable examples. 10
7. Why and how demand analysis is significant for management ? Identify various concepts of demand relevant for functional areas of management. 10
8. Distinguish between short run production function and long-run production function. Under what condition is the law of diminishing return sometimes also known as the law of variable proportions. 10
9. Distinguish between the following : 10
(Answer *any two*)
(a) Demand curve and Demand schedule
(b) Isoquant and Isocost
(c) Oligopoly and Duopoly
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